



STO

Conflicts of Interest Policy

Version: 4.0
Date: April 2015

STO

AFX Markets Ltd
(FCA)

CONFLICT OF INTEREST POLICY

AFX Markets Ltd. (“AFX”, “we”, “us”, “our”) trading as STO is authorised and regulated by the Financial Conduct Authority (FCA) FRN 560872. Our details can be found on the FCA [website](#). The registered office for AFX Markets Ltd. is 33 Sun Street, 2nd Floor, London, EC2M 2PY.

AFX Markets Ltd. is acting as agent for AFX Capital Markets Ltd. trading as SuperTradingOnline (STO) a company authorised and regulated by the Cyprus Securities and Exchange Commission (CySEC) licence no. 119/10 and registration no. 253014 with registered office at 116, Gladstonos Street, M. Kyprianou House, 1st Floor, CY-3032, Limassol, Cyprus

The purpose of this document is to advise you that AFX Markets Ltd. may have an interest or a relationship in conflict (a “Conflict”) with the interests of or the duties it owes to you (the “Client”) under the agreement governing the supply of investment services by AFX Markets Ltd. to the Client (the “Agreement”).

AFX Markets Ltd. is partially owned by AFX Capital Markets Ltd. and currently transfers all orders to be executed by AFX Capital Markets Ltd (although has the permissions available to do otherwise). AFX Capital Markets Ltd. provides a range of services to a number of different clients, which may result in situations whereby the Clients interests and the interests of another client or the business may conflict whether in relation to the Retail CFD and FX trading business or any other service offered by AFX Markets Ltd. or AFX Capital Markets Ltd.

As AFX Markets Ltd. is paid by AFX Capital Markets Ltd. for the trades it passes through and relies on AFX Capital Markets Ltd. for execution and provision of software, this causes an inherent conflict of interest. This could not be effectively avoided or mitigated without altering AFX Markets Ltd.’s business model.

Where AFX Markets Ltd. may reasonably take steps to avoid or mitigate Conflicts arising in the

supply of investment services which are likely to significantly affect the Client’s interests, AFX Markets Ltd. will do so in accordance with this Conflict of Interest Policy which contains provisions, among others, designed to:

- (a) describe the main sources of Conflicts or potential Conflicts with the Client’s interests which may arise in the supply of services by AFX Markets Ltd.;
- (b) establish the procedures by which such Conflicts will be identified and managed by AFX Markets Ltd. from time to time;
- (c) set forth the cases where the existence of a Conflict must be disclosed to the Client before AFX Markets Ltd. can transmit an order under the Agreement, so that the Client may decide whether or not to confirm the order; and
- (d) establish the procedures by which the Conflict of Interest Policy will be revised when needed or periodically updated.

For the purposes of such document, AFX Markets Ltd. includes its affiliates, employees, appointed representatives, tied agents, contractors or any person directly or indirectly linked to them by control.

Identification of the Conflicts of Interest

AFX Markets Ltd. has systems and protocols in place to identify potential Conflicts. Once a Conflict has been identified, procedures are implemented to ensure it is appropriately managed. A potential Conflict occurs where competing obligations or motivations result in, or are likely to result in, material risk of damage to the interests of a client, including where:

- (a) AFX Markets Ltd. is likely to make a financial gain, or avoid a financial loss, at the expense of the client; or
- (b) an AFX Markets Ltd. employee is likely to make a financial gain, or avoid a financial loss, at the expense of the client; or
- (c) a client of AFX Markets Ltd. is likely to make

financial gain or avoid a financial loss at the expense of another client.

Procedures to Manage Conflicts of Interest

AFX Markets Ltd. established procedures designed to identify and manage Conflicts. These include a number of organisational and administrative arrangements to safeguard the interests of clients and minimise the potential for Conflicts to arise.

AFX Markets Ltd. adopts a number of approaches to manage Conflicts and control the movement of confidential information which are applied where possible. The following is a non-exhaustive list of these controls:

- (a) segregation of duties and responsibilities, supervision for persons engaged in different business activities including procedures for ensuring appropriate communication between business units, for example, through the Conflict of Interest Policy operation of information barriers, physical separation of staff and maintenance of a policy of independence which requires AFX Markets Ltd. staff, when providing services to a client, to act in the best interests of the client and to disregard any conflicts of interest;
- (b) personal account dealing restrictions applicable to all staff, and their associates, regardless of seniority;
- (c) control over sources of remuneration of relevant persons;
- (d) protocols to ensure that no improper inducements are given or received and proper inducements are disclosed appropriately;
- (e) gifts and personal benefits procedures including a gift register recording the solicitation, offer or receipt of certain benefits;
- (f) external directorship policy, including the requirement for all external directorships and outside business interests to be declared;
- (g) in some circumstances declining to act for a client or potential client; and
- (h) the provision of training to directors and employees of AFX Markets Ltd. on Conflict of Interest management.

Conflict Disclosure

Where AFX Markets Ltd. considers, with reasonable confidence, that the arrangements in place to manage potential and/or actual Conflicts are not sufficient to avoid material risk of damage to a client's interest, AFX Markets Ltd. will disclose the general nature and/or sources of the Conflict to the client before undertaking any business for the client.

Revision

AFX Markets Ltd. will revise this policy from time to time by:

- (a) identifying new types of Conflicts or potential Conflicts as they emerge in the supply of investment services to its clients;
- (b) reviewing the effectiveness of the procedures and arrangements by which Conflicts are managed and considering possible amendments or supplements to such procedures and arrangements; and
- (c) submitting such amended or supplemented procedures and arrangements to the approval of its management body.

AFX Capital Markets Ltd.

Clients are also exposed to the Conflicts of Interest which AFX Capital Markets Ltd. has identified as clients trade using the prices provided by it and AFX Capital Markets Ltd. is the counterparty to the Clients trades.

The Client should be aware that AFX Capital Markets Ltd. has Conflicts which could not be effectively avoided or mitigated without altering the discretionary nature of the prices quoted by AFX Capital Markets Ltd. when providing trading services. Indeed, by trading in contracts for differences (CFDs) the Client will make gains or incur losses as a result of a difference in prices (or exchange rates, as applicable) at which trading positions are respectively opened or closed. AFX Capital Markets Ltd. does not normally owe best execution duties to the Client as AFX Capital Markets Ltd. deals with the Client "on quotes", so

it does not execute orders “on behalf” of the Client. When the Client wants to enter into a particular contract with AFX Capital Markets Ltd., it may decide whether or not to do so based on the price (or exchange rate, as applicable) quoted by AFX Capital Markets Ltd. for that contract.

AFX Capital Markets Ltd. determines the prices (or exchange rates, as applicable) at which it is prepared to enter into a contract with the Client (and the relevant bid-ask spread) in its absolute discretion, taking into account the price levels quoted by competitors and other intermediaries, general market conditions as well as other factors such as the exposure of AFX Capital Markets Ltd. to the underlying financial instruments. The Client should be aware and accept that this pricing process involves Conflicts which are intrinsic in the investment business AFX Capital Markets Ltd. carries out when providing trading services to its clients. AFX Capital Markets Ltd. will provide trading services to the Client on the basis that the Client is satisfied with the pricing policies and practices of AFX Capital Markets Ltd. and believes that AFX Capital Markets Ltd.’s pricing provides a fair treatment of the Client’s interests.

Where AFX Capital Markets Ltd. may reasonably take steps to avoid or mitigate Conflicts arising in the supply of investment services which are likely to significantly affect the Client’s interests, AFX Capital Markets Ltd. will do so in accordance with this Conflict of Interest Policy which contains provisions, among others, designed to:

- (a) describe the main sources of Conflicts or potential Conflicts with the Client’s interests which may arise in the supply of services by AFX Capital Markets Ltd.;
- (b) establish the procedures by which such Conflicts will be identified and managed by AFX Capital Markets Ltd. from time to time;
- (c) set forth the cases where the existence of a Conflict must be disclosed to the Client before AFX Capital Markets Ltd. can execute an order or enter into a transaction under the Agreement, so that the Client may decide whether or not to confirm the order or transaction; and

(d) establish the procedures by which the Conflict of Interest Policy will be revised when needed or periodically updated.

For the purposes of such document, AFX Capital Markets Ltd. includes its affiliates, employees, appointed representatives, tied agents, contractors or any person directly or indirectly linked to them by control.

Identification of the Conflicts of Interest

AFX Capital Markets Ltd. has systems and protocols in place to identify potential Conflicts. Once a Conflict has been identified, procedures are implemented to ensure it is appropriately managed. A potential Conflict occurs where competing obligations or motivations result in, or are likely to result in, material risk of damage to the interests of a client, including where:

- (a) AFX Capital Markets Ltd. is likely to make a financial gain, or avoid a financial loss, at the expense of the client; or
- (b) an AFX Capital Markets Ltd. employee is likely to make a financial gain, or avoid a financial loss, at the expense of the client; or
- (c) a client of AFX Capital Markets Ltd. is likely to make financial gain or avoid a financial loss at the expense of another client.

Procedures to Manage Conflicts of Interest

AFX Capital Markets Ltd. established procedures designed to identify and manage Conflicts. These include a number of organizational and administrative arrangements to safeguard the interests of clients and minimize the potential for Conflicts to arise.

AFX Capital Markets Ltd. adopts a number of approaches to manage Conflicts and control the movement of confidential information. The following is a non-exhaustive list of these controls:

- (a) segregation of duties and responsibilities, supervision for persons engaged in different business activities including procedures for ensuring appropriate

- (b) communication between business units, for example, through the Conflict of Interest Policy operation of information barriers, physical separation of staff and maintenance of a policy of independence which requires AFX Capital Markets Ltd. staff, when providing services to a client, to act in the best interests of the client and to disregard any conflicts of interest.
- (c) personal account dealing restrictions applicable to all staff, and their associates, regardless of seniority;
- (d) control over sources of remuneration of relevant persons;
- (e) protocols to ensure that no improper inducements are given or received and proper inducements are disclosed appropriately;
- (f) gifts and personal benefits procedures including a gift register recording the solicitation, offer or receipt of certain benefits;
- (g) external directorship policy, including the requirement for all external directorships and outside business interests to be declared;
- (h) in some circumstances declining to act for a client or potential client; and
- (i) the provision of training to directors and employees of AFX Capital Markets Ltd. on Conflict management.

Conflict Disclosure

Where AFX Capital Markets Ltd. considers, with reasonable confidence, that the arrangements in place to manage potential and/or actual Conflicts are not sufficient to avoid material risk of damage to a client's interest, AFX Capital Markets Ltd. will disclose the general nature and/or sources of the Conflict to the client before undertaking any business for the client.

Revision

AFX Capital Markets Ltd. will revise this policy from time to time by:

- (a) identifying new types of Conflicts or potential Conflicts as they emerge in the supply of investment services to its clients;
- (b) reviewing the effectiveness of the procedures and arrangements by which Conflicts are managed and considering possible amendments or supplements to such procedures and arrangements; and
- (c) submitting such amended or supplemented procedures and arrangements to the approval of its management body.

Further Information

AFX Markets Ltd. remains at the Client's disposal to provide any further information in connection with the procedures adopted to identify and manage Conflicts.